



[Billing Code 7709-02-P]

## **PENSION BENEFIT GUARANTY CORPORATION**

### **Proposed Submission of Information Collections for OMB Review; Comment Request; Payment of Premiums; Termination Premium**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of intent to request extension of OMB approval of collection of information.

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**SUMMARY:** The Pension Benefit Guaranty Corporation (PBGC) intends to request that the Office of Management and Budget (OMB) extend approval, under the Paperwork Reduction Act, of the collection of information for the termination premium under its regulation on Payment of Premiums (29 CFR Part 4007) (OMB control number 1212-0064; expires February 28, 2017), without changes. This notice informs the public of PBGC's intent and solicits public comment on the collection of information.

**DATES:** Comments should be submitted by [insert date 60 days after publication in the **Federal Register**].

**ADDRESSES:** Comments may be submitted by any of the following methods:

- *Federal eRulemaking portal:* <http://www.regulations.gov>. Follow the Web site instructions for submitting comments.
- *E-mail:* [paperwork.comments@pbgc.gov](mailto:paperwork.comments@pbgc.gov).
- *Mail or hand delivery:* Regulatory Affairs Group, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026.

Comments received, including personal information provided, will be posted to PBGC's Web site (<http://www.pbgc.gov>).

The currently approved collection of information (Form T and instructions) and PBGC's premium payment regulation may be accessed on PBGC's Web site at <http://www.pbgc.gov>.

Copies of the proposed collection of information may also be obtained without charge by writing to the Disclosure Division of the Office of the General Counsel of PBGC at the above address or by calling 202–326–4040 during normal business hours. (TTY and TDD users may call the Federal relay service toll-free at 800–877–8339 and ask to be connected to 202–326–4040.)

**FOR FURTHER INFORMATION CONTACT:** Deborah C. Murphy

(murphy.deborah@pbgc.gov), Assistant General Counsel for Regulatory Affairs, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026, 202–326–4400 ext. 3451. (TTY and TDD users may call the Federal relay service toll-free at 800–877–8339 and ask to be connected to 202–326–4400 ext. 3451.)

**SUPPLEMENTARY INFORMATION:**

The Pension Benefit Guaranty Corporation (PBGC) administers the pension plan termination insurance program under title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Section 4006(a)(7) of ERISA provides for a “termination premium” (in addition to the flat-rate and variable-rate premiums under section 4006(a)(3) and (8) of ERISA) that is payable for three years following certain distress and involuntary plan terminations. PBGC’s regulations on Premium Rates (29 CFR part 4006) and Payment of Premiums (29 CFR part 4007) implement the termination premium. Sections 4007.3 and 4007.13(b) of the premium payment regulation require the filing of termination premium information and payments with PBGC. PBGC has promulgated Form T and instructions for paying the termination premium.

In general, the termination premium applies where a single-employer plan terminates in a distress termination under ERISA section 4041(c) (unless contributing sponsors and controlled group members meet the bankruptcy liquidation requirements of ERISA section

4041(c)(2)(B)(i)) or in an involuntary termination under ERISA section 4042, and the termination date under section 4048 of ERISA is after 2005. The termination premium does not apply in certain cases where termination occurs during a bankruptcy proceeding filed before October 18, 2005.

The termination premium is payable for three years. The same amount is payable each year. The amount of each payment is based on the number of participants in the plan as of the day before the termination date. In general, the amount of each payment is equal to \$1,250 times the number of participants. However, the rate is increased from \$1,250 to \$2,500 in certain cases involving commercial airline or airline catering service plans. The termination premium is due on the 30th day of each of three consecutive 12-month periods. The first 12-month period generally begins shortly after the termination date or after the conclusion of bankruptcy proceedings in certain cases.

The termination premium and related information must be filed by a person liable for the termination premium. The persons liable for the termination premium are contributing sponsors and members of their controlled groups, determined on the day before the plan termination date. Interest on late termination premiums is charged at the rate imposed under section 6601(a) of the Internal Revenue Code, compounded daily, from the due date to the payment date. Penalties based on facts and circumstances may be assessed both for failure to timely pay the termination premium and for failure to timely file required related information and may be waived in appropriate circumstances. A penalty for late payment will not exceed the amount of termination premium paid late. Section 4007.10 of the premium payment regulation requires the retention of

records supporting or validating the computation of premiums paid and requires that the records be made available to PBGC.

OMB has approved the termination premium collection of information (Form T and instructions) under control number 1212-0064 through February 28, 2017. PBGC intends to request that OMB extend approval of this collection of information for three years, without changes. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

PBGC estimates that it will each year receive an average of about 1 filing for the first year a termination premium is due, 1 filing for the second year a termination premium is due, and 1 filing for the third year a termination premium is due, from a total of about 3 respondents. PBGC estimates that the total annual burden of the collection of information will be about 15 minutes and \$200.

PBGC is soliciting public comments to —

\$ Evaluate whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

\$ Evaluate the accuracy of the agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used;

\$ Enhance the quality, utility, and clarity of the information to be collected; and

\$ Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

Issued in Washington, DC, by

**Judith Starr**, General Counsel  
Pension Benefit Guaranty Corporation

